

## Message Text

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PAGE 01 GENEVA 09068 01 OF 02 151329Z  
ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 IO-13 JUSE-00 CTME-00 AF-10  
ARA-10 EA-10 EUR-12 NEA-11 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15  
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15  
/167 W

-----073673 151340Z /43

P 151200Z JUN 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 0875  
INFO AMEMBASSY SEOUL

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 09068

USMTN

ACTION STR

PASS STR ELECTRONICALLY STR PASS CODEL

EO 11652: N/A  
TAGS: ETRD, GATT, MTN  
SUBJECT: US/KOREAN MTN BILATERAL

1. SUMMARY: US MTN DEL (MOORE, MALISH, WALLAR) DISCUSSED  
STATUS OF NTM CODES WITH KOREAN MTN DEL (LEE, LEE, KWON)  
AND HIGHLIGHTED POTENTIAL BENEFITS TO CODE SIGNATORIES.  
KOREAN DEL EXPRESSED PRO FORMA CONCERNS THAT CODES CONTAIN  
ADEQUATE SPECIAL AND DIFFERENTIAL MEASURES FOR LDC'S BUT,  
NEVERTHELESS, SENT STRONG SIGNALS THAT THE ROK SAW "NO  
PROBLEMS" IN PARTICIPATING IN THE GOVERNMENT PROCUREMENT,  
CUSTOMS VALUATION, AND STANDARDS CODES. US DEL EXPLAINED  
AND CLARIFIED ITEMS ON US INDICATIVE LIST TO KOREA AND  
EMPHASIZED THAT US RESPONSE TO KOREAN REQUESTS WOULD  
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PAGE 02 GENEVA 09068 01 OF 02 151329Z

DEPEND LARGELY ON KOREAN OFFERS. KOREANS REPLIED THAT  
SEOUL IS NOW STUDYING POSSIBLE OFFERS AND EXPECTS TO GIVE  
RESPONSES IN VERY NEAR FUTURE. END SUMMARY

2. NTM CODES -- US DEL REVIEWED STATE OF PLAY ON NTM  
CODES AT REQUEST OF KOREAN DELEGATION. KOREANS INDICATED  
THAT THEY HAD NO PROBLEMS THUS FAR WITH CUSTOMS VALUATION

AND STANDARDS CODES. ALSO, THE GOVERNMENT PROCUREMENT CODE SEEMED TO PRESENT NO PROBLEM FOR ROK. KOREA'S PRESENT PROCUREMENT POLICIES FOLLOW PROCEDURES ESTABLISHED IN ROK LEGISLATION AND ARE ALREADY SIMILAR TO THE DRAFT CODE. ON SUBSIDIES/COUNTERVAILING DUTIES, KOREAN DEL ADVOCATES A POSITIVE LIST OF SUBSIDIES AND A "STANDSTILL" CLAUSE ON COUNTERVAILING DUTIES UNTIL A CODE IS DEVELOPED. US DEL CITED THE TRADE ACT AUTHORITY WAIVER AS PROVIDING TEMPORARY RELIEF AND INDICATED THAT A POSITIVE LIST WOULD DENY IMPORTING COUNTRIES THE UNILATERAL RIGHT TO TAKE COUNTERVAILING ACTION WHICH IS THE BASIS OF ARTICLE VI.

3. AGRICULTURE -- IN RESPONSE TO EARLIER US DEL REQUEST FOR INFORMATION ABOUT KOREAN MEAT IMPORTS UNDER HOTEL AND RESTAURANT TRADE QUOTAS, KOREAN DEL PROVIDED RECENT IMPORT INFORMATION. 1977 KOREAN IMPORTS OF BEEF FOR HOTEL AND RESTAURANT CONSUMPTION AMOUNTED TO ABOUT 100 TONS, COMPARED TO APPROXIMATELY 25 TONS IN 1976. SMALLER QUANTITIES OF VEAL AND POULTRY WERE ALSO IMPORTED. KOREAN DEL ALSO STATED THAT THESE IMPORTS ARE PERMITTED UPON THE RECOMMENDATION BY THE AGRICULTURE MINISTRY, WHICH ACCORDING TO KOREAN DEL, IS ESPECIALLY CONCERNED ABOUT MEETING HEALTH AND SANITARY STANDARDS FOR MEATS USED IN THE TOURIST AREA. US DEL EMPHASIZED US REQUEST FOR AUTOMATIC LICENSING QUOTA REMOVAL AND TARIFF REDUCTION FOR BEEF AS WELL AS OTHER MEAT ITEMS ON LIMITED OFFICIAL USE

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PAGE 03 GENEVA 09068 01 OF 02 151329Z

INDICATIVE LIST.

4. FOR EMBASSY SEOUL: US MTN DEL WOULD APPRECIATE EMBASSY CONFIRMATION OF HOTEL/RESTAURANT TRADE MEAT IMPORTS AND EMBASSY ESTIMATE OF US EXPORT POTENTIAL IN THIS AREA. WE WOULD ALSO APPRECIATE INFORMATION ON ADMINISTRATION OF QUOTAS OR LICENSES AND HEALTH STANDARDS RELATED TO THIS TRADE.

5. US DEL REVIEWED KOREAN AGRICULTURAL REQUESTS TO US AND ASKED FOR CLARIFICATION OF TSUS ITEM 17037--AN APPARENT MISTAKE SINCE THIS ITEM DOES NOT APPEAR IN TSUS. KOREAN DEL INDICATED THAT THEIR REQUEST WAS PROBABLY FOR TSUS ITEM 17035, BUT THEY WOULD CONFIRM THIS WITH SEOUL AND INFORM US DEL.

6. NON-AGRICULTURAL ITEMS -- US DEL NOTED WITH APPROVAL RECENT LIBERALIZATION BY ROK IN REMOVING ITEMS FROM ITS LIST OF RESTRICTED IMPORTS AND URGED KOREAN DEL TO CONSIDER US REQUEST FOR TARIFF REDUCTIONS FOR THESE AND OTHER ITEMS APPEARING ON US INDICATIVE LIST. US DEL EXPLAINED THAT A QUICK AND POSITIVE RESPONSE TO US

INDICATIVE LIST COULD HELP TO ELICIT A POSITIVE RESPONSE FROM US TO KOREAN REQUESTS AND TO MAINTAIN CURRENT US OFFERS. US DEL INDICATED THAT US WOULD BE TABLING A REVISED TARIFF OFFER DURING WEEK JUNE 19 WHICH WOULD INCLUDE US OFFERS ON ITEMS UNSPECIFIED IN JANUARY OFFER. US DEL NOTED THAT WORK IS UNDER WAY IN WASHINGTON TO EVALUATE REQUESTS FOR IMPROVEMENT IN US OFFER AND INDICATED THAT RESPONSES TO THESE REQUESTS WOULD PROBABLY BE MADE IN EARLY JULY. KOREAN DEL RESPONDED THAT THEY WOULD INFORM SEOUL OF TIMETABLE FOR US OFFERS AND WOULD URGE A QUICK REPLY SINCE SEOUL IS NOW STUDYING POSSIBLE KOREAN MTN OFFERS.

7. DRAWING ON INSTRUCTIONS IN TPSC 78-1, ATTACHMENT 1, LIMITED OFFICIAL USE

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PAGE 04 GENEVA 09068 01 OF 02 151329Z

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PAGE 01 GENEVA 09068 02 OF 02 151330Z  
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INFO OCT-01 STRE-00 ISO-00 IO-13 JUSE-00 CTME-00 AF-10  
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LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 09068

USMTN ACTION STR

PASS STR ELECTRONICALLY STR PASS CODEL

ADD. 2, US DEL CONVEYED RESPONSES TO SEVERAL KOREAN NTM

REQUESTS. US DEL ATTEMPTED CLARIFICATION OF KOREAN REQUESTS OF REMOVAL OF NTM'S ON NATURAL DRUGS ENTERED UNDER TSUS NOS. 43910 AND 43930 POINTING OUT THAT A MORE SPECIFIC PRODUCT DESCRIPTION WOULD PERMIT A BETTER US UNDERSTANDING AND RESPONSE. WE NOTED THAT AN IMPORTANT KOREAN EXPORT, GINSENG, ENTERS UNDER THESE TWO CLASSIFICATIONS AND IS EASILY AVAILABLE IN THE US. KOREAN DEL INDICATED THAT IT WOULD SEEK A PROMPT RESPDNSE FROM SEOUL TO IDENTIFY WHICH NATURAL DRUGS ENTERED UNDER THESE TSUS NUMBERS WERE THE SUBJECT OF NTM'S. US DEL DISCUSSED KOREAN REQUESTS FOR ELIMINATION OF EXPORT RESTRAINTS ON FOOTWEAR ITEMS. WE POINTED OUT THE OMA ON FOOTWEAR IS A BILATERAL MEASURE WHICH CANNOT BE NEGOTIATED IN THE MTN. WE FURTHER NOTED, HOWEVER, THAT IT REPRESENTS LEGITIMATE IMPORT RELIEF AND AS SUCH PRE-LIMITED OFFICIAL USE

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PAGE 02 GENEVA 09068 02 OF 02 151330Z

VENTS US FROM MAKING AN MTN TARIFF OFFER ON THE AFFECTED ITEMS. US DEL ALSO CITED THE POSSIBLE BENEFITS TO KOREA OF ASP ELIMINATION ON TSUS 70060--CANVAS-UPPER RUBBER-SOLED FOOTWEAR--EVEN IF RESULTING TARIFF RATE CONVERSION WERE TO BE HIGHER THAN PRESENT AD VALOREM DUTY. ON MUSHROOMS, WE NOTED THAT, WHILE NO IMPORT RELIEF WAS IN EFFECT, THE US EXPECTED THAT THE ROK WOULD NOT PERMIT ITS EXPORT LEVEL TO CAUSE MARKET DISRUPTION IN THE US.

8. KOREAN DEL, OBVIOUSLY HAVING NO INSTRUCTIONS WITH RESPECT TO US REQUESTS, CONCLUDED BY REPEATING THAT THEY WOULD ADVISE SEOUL OF IMPORTANCE OF MAKING A QUICK RESPONSE TO US INDICATIVE LIST. DELEGATIONS AGREED TO MEET WHEN KOREAN RESPONSE IS RECEIVED OR WHEN NEW US TARIFFS OFFER BECOMES AVAILABLE, WHICHEVER IS SOONER.

9. DRAFTED BY MOORE/MALISH. MCDONALD

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## Message Attributes

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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Type:** TE  
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**Review Markings:**  
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